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CAROL A. HERRMANN, MPH
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Medicaid Briefing Preferred Drug List

- The Preferred Drug List (PDL) was created as a management tool to foster appropriate drug therapy in a more cost efficient manner. The PDL was implemented in November 2003 and is vital to the continuation of pharmacy benefits for Medicaid recipients.
- Medicaid relies on a Pharmacy and Therapeutics (P&T) Committee to review clinical, peer reviewed literature and make recommendations for preferred drugs. Recommendations consider whether drugs within a class are comparable or whether individual agents provide significant clinical advantages over other alternatives when considered in general use. Special considerations for niche populations (i.e. nursing home patients, children) are addressed in the prior authorization criteria.
- Medicaid recipients may receive non-preferred drugs with prior authorization.
- The PDL currently covers 8 major groups of drugs; includes brand, generic and over-the-counter alternatives available without prior authorization.
- There are over 88 brand name drugs on the PDL.
- Although companies do not have to offer additional state discounts to be placed on the PDL, Medicaid has successfully worked with manufacturers in achieving additional savings through volume discounts.
- 68% of brand drugs on the PDL were included because they were clinically effective and cost effective without additional rebates.

Our Mission - to provide an efficient and effective system of financing health care for our beneficiaries.